

REMARKS

Claims 1 through 3 are cancelled. New claims 4 through 12 are added and are under consideration. Reconsideration of all claims is respectfully requested.

Rejection Under 35 U.S.C. § 112 Rejection

Claims 1-3 were rejected under 35 U.S.C. § 112, as being indefinite for failing to particularly point out and distinctly claim the subject matter of the invention.

In Paragraph 3 A, the Action points out informalities in claims 1, 2 and 3. In response, claims 1 through 3 are cancelled and new claims 4 through 6 are submitted.

In paragraph 3 B, the Action states: *"the step of evaluating a score of individual risks describing the impact of risk on financing is vague and indefinite, it is unclear how the score correlates to the "impact of risk"*

In response, applicant refers the Examiner to page 8 of the Specification where it is clearly explained that a score of one represents a low-level risk and a score of 5 represents a high level risk. The different risk categories described are:

tangible assets,

intellectual property,

personnel,

financial liquidity,

current liability or

potential liability

Using historical data used in due diligence, each of the above risk categories is ascribed a risk score by the user. Then all individual risk score are added to obtain a cumulative risk score. An investor will establish a risk score matrix to evaluate which

risk score level is acceptable to support a decision to finance the technology. Each technology enterprise has its characteristic risk score matrix. The unique thing about this invention is that it allows the user to customize his own criteria and risk score matrix.

Should the risk score be high for a specific risk category and requires corrective action, the investor will be able to set that as a condition for financing.

The present invention quantifies individual risks, and includes risk categories that go well beyond the traditional risk categories of present and future asset values considered for a technology company by prior art systems.

Applicant feels that these additional risk categories have been overlooked to date and led to bad decisions made in financing technologies, because of incomplete or defective measures of risk for financing. The new claims particularly and distinctly point out these essential elements.

35 U.S.C. § 101 Rejection

Claim 3 is cancelled.

35 U.S.C. § 102 (b) Rejections

The Examiner rejected claims 1-3 under 35 U.S.C. § 102 (b) as being anticipated by Sandretto (US 5,812,988).

The Office Action states that *Sandretto discloses a computerized method and a corresponding system assessing risk for financing a select technology enterprise comprising a means for storing in accessible memory a database on risk categories and characteristics of said categories relevant to financing said technology, data processing means for evaluating a score for one or more risk categories and computing a cumulative*

risk of current risk categories and determining risk in relation to past performances (abstract, figs 1 and 6, and column 16, lines 10-67), and taking corrective measure in a risk category which poses an impact on the financing (column 18, line 27-67, and column 21, lines 8-34).

In response, applicant disagrees. Sandretto describes a data processing system having the computer processor and a data processing means for evaluating a score for one or more risks that is based on

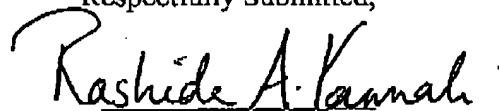
- a)-processing data on economic variables and asset-specific variables to determine cash flows,
- b)-generating alternate data on economic variables and asset-specific variables using algorithms, and,
- c)- processing values in a) against b) to determine a simulated index return and output risk measure.

In contrast, the present invention describes a computer processor and a data processing means, that measures risk in categories quite different from those described by Sandretto, and for the first time, includes in the evaluation of financing risk, factors additional to the economic factors, for eg., personnel, intellectual property, liability(of technology), etc. The present invention does not create a simulated index but a current measure of risk, by using a different algorithm, a different scoring system, and a flexible risk matrix that can be adapted based on the type of technology being financed. Applicant has successfully used the invention in evaluating start-up technology companies.

Since under the case law, for a rejection to be upheld under section 102(b) of 35 USC, "...every element of the claimed invention must be identically shown in a single reference...these elements must be arranged as in claim under review" (In re Bond, 910 F.2nd 831, 15 USPQ 2nd 1566). Therefore, under In re Bond, the cited art, Sandretto, does not anticipate the invention. This is because several essential elements of the present invention are not present in the cited prior art. Therefore, this rejection should be withdrawn.

If for any reason, the Examiner should deem this application not in condition for allowance, the Examiner is respectfully requested to telephone the undersigned attorney to resolve any outstanding issues prior to issuing a further Office Action in the interest of moving the prosecution forward efficiently.

Respectfully Submitted,



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